

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees
Rules Committee Meeting
April 2, 2002

TRUSTEES PRESENT: Mr. Davis Yogi, Chairperson
Mr. Clifford T. Uwaine, Vice-Chairperson (Left 3:58 p.m.)
Mr. Neal Miyahira (Left 4:04 p.m.)
Mr. Will Miyake

HEUHBTF STAFF: Ms. Shirley Kawamoto
Ms. Wanda Kimura
Mr. Gary Sanehira
Ms. Karen Tom

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

GUESTS: Ms. Jean Aoki – HSRTA
Mr. George Butterfield – HSTA-Retired
Ms. Nani Crowell – HSTA
Ms. Alana Deppe-Mariota - Kaiser
Ms. Monica Engle – Vision Service Plan
Mr. Malcolm C. Fernandez – County of Kauai
Ms. Ann Hasegawa-Taira – DAGS/Personnel
Mr. Melvin Higa – Mutual Benefit Association of Hawaii
Ms. Sherri Higa – PSD/Personnel
Ms. Carol Iwasaki – Board of Water Supply/Personnel
Mr. Alex Kagawa – Health Fund
Ms. Gail Kahakui – DAGS/Personnel
Mr. Henry Kanda – Hawaii Health Systems Corporation
Mr. Karl Kaneshiro – Employees’ Retirement System
Mr. Charles Khim
Ms. Mabel Khoo – Dept. of Health
Ms. Pat Kikawa – Board of Water Supply
Ms. Jan Munemitsu – Dept. of Health
Mr. Tom Morrison, The Segal Company
Mr. Gordon Murakami – Royal State
Ms. Karen Muronaka, HSTA-Retired
Mr. Bill Nelsen – HDS
Ms. Celeste Nip – Hawaii Firefighters Association
Mr. Bert Nishihara – Health Fund
Ms. Linda Sawai - UHPA
Ms. Jody Serikawa – C&C of Honolulu, Human Resources
Mr. Ron Schaedel – PSD
Mr. Rod Tam - HMSA
Ms. Jennifer Tobin – C&C of Honolulu, Human Resources

Ms. Cheryl Takitani-Smith – HDS
Mr. Ken Villobrille – County of Kauai
Mr. George Yamamoto – HSTA-Retired
Ms. Amy Yasuda – UOH, Office of Human Resources

A. CALL TO ORDER

The meeting of the Rules Committee was called to order at 1:36 p.m. by Mr. Davis Yogi, Chairperson, in Civil Service Commission Conference Room 1403, Leiopapa a Kamehameha, 235 South Beretania Street, Honolulu, Hawaii, on Tuesday, April 2, 2002.

B. APPROVAL OF MINUTES

The minutes of March 27, 2002 were not ready for review.

C. OLD BUSINESS, Item A. OVERVIEW OF CURRENT HEALTH FUND RULES AND CONCEPT EUTF ADMINISTRATIVE RULES

Staff provided an overview of the objectives of the rules and its contents using the project team's earlier presentation of November 5, 2001.

The Committee members discussed and had public comment on the following concept EUTF rules:

Rule 4.01 – Application for Enrollment

(b) The board shall ~~[from time to time]~~ set the standards and procedures for filing such enrollment applications,....

There was public comment that §6-33-1(6)(C) of the Public Employee Health Fund rules is necessary in Rule 4.01.

Rule 4.02 – Rejection of an Enrollment Application

There was discussion among the committee and members of the public of the need to have a Rule concerning the re-enrollment process following a rejection of an enrollment application. There was public comment that Rule 4.02(b)(4) is unnecessary because upon cancellation, a participant is made whole and no further contributions are owed.

Rule 5.02 – Enrollment; Effective Dates of Coverage

There was discussion among the committee and members of the public on the various proposed effective dates of coverage as follows:

Rule 5.02(a) – The public commented that the new employee should not have a delay in coverage. A representative from the Department of Public Safety (PSD) indicated that

PSD employees are not on payroll until six to eight weeks following their hire. Thus, if the purpose of the Rule was to have the effective date of coverage coincide with the new employee's first paycheck, the Rule would not work for them. However, a representative of the project team stated that the Rule established an effective date of coverage regardless of when payment was made from the new employee's paycheck. It was further noted that the main purpose of the Rule was to establish a uniform effective date of coverage based on a new employee's date of hire. In that way, it was anticipated that a new employee's date of hire could be keyed into the system, and it would automatically establish his or her effective date of coverage. Under the current system, the effective dates of coverage have to be manually keyed in and this was thought to be less efficient and to increase costs. The public suggested that the employer pay the full premium for benefits during the period an employee is not yet on payroll and then recover the premiums from the employee directly. Another suggestion was that the effective date of coverage be the first day of work. There was a comment that the effective date of coverage may be negotiable as a term and condition of employment.

Rule 5.02(b) – The public commented that if the Board offers a part-time, seasonal (PTS) employee benefit program then there may be a need to consider how the PTS employee would transfer into the Board's plans.

Rule 5.02(e) – There was discussion and public comment on the inclusion of a "hanai" child as a dependent-beneficiary. There was public comment that if a person is not recognized as a dependent under the IRS Code for income tax purposes the benefit received by a "hanai" child may be considered imputed income. There was discussion as to the reason why the effective dates could not coincide with the event date.

Rule 5.02(f) and (g) – There was public comment that the two sections could be combined because a retiree, in both cases, is eligible to enroll upon receipt of pension payments.

Rule 5.02(h) – There was further discussion and public comment on the inclusion of "hanai" children.

Discussion will continue with Rule 5.03 at the next scheduled committee meeting.

D. NEXT MEETING:

Thursday, April 23, 2002, 9 a.m., No. 1 Capitol District Building, Conference Room 303/304 to continue discussion from Rule 5.03 through Rule 6.05.

E. ADJOURNMENT:

Motion to adjourn. (Miyake/Yogi)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 4:09 p.m.

Respectfully submitted,

/s/

Davis Yogi, Chairperson

APPROVED on April 23, 2002.

Documents Distributed:

1. Current Health Fund Administrative Rules Comparison with Project Team Proposed HEUHBTF Rules. (35 pages)
2. Documentation Committee Briefing – Simplification of Administrative Rules (November 5, 2001). (4 pages)
3. Approved minutes for March 12, 2002. (3 pages)